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From:	ROHR Alert <rohralert@gmail.com>
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To:	undisclosed-recipients:
Subject:	ROHR ALERT!! COVID-19 Hopes vs. Economic Slopes

Dear Subscribers,
As noted in Tuesday's 'Near-Term Game Changer' ALERT!!, positive sentiment saw US equities surpass a key resistance. Is that really the economic prospect, or possibly only 'rescue' psychology? While we still believe it is the latter, there is room for more upbeat sentiment on central bank and government intervention.
Before we proceed with discussion of major cross currents, we wish all of our Jewish readers a Happy Passover and hope their celebrations are joyous even in the midst of current stresses. Enjoy and hold dear your virtual family seders.
On the cross currents where more hopeful psychology seems to have wrested control of the market trends from the bears, there is some hope from the drop in new US COVID-19 confirmed cases even if deaths remain high. This is reasonable after sharply rising levels of new infections created so much concern. And there is some anecdotal evidence of a therapeutic in use of somewhat controversial hydroxychloroquine (normally used for malaria and lupus) to treat COVID-19.
And the markets are also recovering due to the Brobdingnagian government rescue spending and hints at a new, heretofore untried, Federal Reserve direct Main Street lending program. For more on that see Tuesday's analysis. It is also the case that skepticism over the current $2.0+ trillion US government rescue package being sufficient are being countered by not just that, but also hints from Congress on further spending. That is for infrastructure and an outright $250 billion supplemental Senate Majority Leader McConnell is already proposing. Yet the question is whether that will indeed be enough to offset the continued problems from the extended COVID-19 presence? The 'new abnormal' (as we have deemed it) means lower business topline income for many months to come; essentially at any point short of an effective vaccine 12-18 months down the road. There are also current problems with the rescue package implementation which are even weakening the effectiveness of the current rescue effort.
This morning's Reuters article (https://reut.rs/2URE4uD) on the 'Wobbly U.S. fiscal response' highlights some of the concerns we pointed out just as the rescue package was passed (March 27th 'Think Implementation…' ALERT!!) The banks need more clarification, and the state unemployment insurance systems are in some cases overwhelmed by the levels of claims. The most telling and tragic case would seem to be Florida's seemingly 'designed-to-fail' system, as explored in last Friday's POLITICO report (https://politi.co/2UThHoM.)
As an adjunct to what we already know on the sustained problems, OECD issued their monthly Composite Leading Indicators (https://bit.ly/2Rmxr1h for our mildly marked-up version) this morning for the first time in two months. Yet it did so with the warning that there is no way to develop a 'leading' anticipatory view under current circumstances, and indicators should be considered 'coincident'. That is due to them being the worst ever, even more negative than 2008-2009.
All of which should point up the US equities vulnerability as well as further problems for emerging currencies, and continued underpinning for the global govvies which have weakened a bit of late. Yet hope springs eternal, and is invigorated with every round of fresh government support. As such, it is possible that US equities can indeed work their way higher

after already pushing above their most major recent DOWN Breakout. See our brief S&P 500 video analysis (https://bit.ly/34lPPwt best from 02:30) for more on this based on Tuesday's Close despite the fact it was well back below the extreme rally's high earlier in the day.
Courtesy Repeat of Tuesday's critical consideration
COVID-19 virus spread caused US equities intermediate-term bull psychology to 'crack'. Front month S&P 500 future was already back below key congestion around the mid-2019 3,030-00 previous all-time high congestion (see our previous 'Crunch Time' ALERT!!)That was also below support from the push above the multi-year topping line at 3,070 as well and left the late-February 2,970 DOWN Break below the intermediate-term up channel (from the late 2018 low.)
Did this signal reversal into a bear trend? Maybe not, but the subsequent fresh DOWN Break below the front month S&P 500 future 2,600 area major up channel seemed to indicate it was. That is from early 2016 low (https://bit.ly/39HVPR9 updated as of Friday's Close.) That was the recent key higher resistance it has just exceeded on the violation of its Tolerance: that was to the 2,675 trading high of the week ending March 20th (and includes the monthly MA-48)
As such, it is reasonable that the June S&P 500 future will now treat the low 2,600 area (with a Tolerance to the mid-2,500 area) as support. This leaves front month S&P 500 future up into a broad higher range, with the top back into the 3,000 area. It must be allowed that along the way the previously violated supports at interim 2,850 area along with the more prominent 2,750 area are nearby resistances.
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